



**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5321-N-05]**

**Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act, 2009: Announcement of Availability of Updated Foreclosure Information**

**AGENCY:** Office of the Assistant Secretary for Community Development and Planning, HUD.

**ACTION:** Notice; announcement of updated information.

**SUMMARY:** On May 4, 2009, HUD posted its Fiscal Year (FY) 2009 NSP2 NOFA. This document makes changes to the NSP2 NOFA to allow NSP2 grantees to use an updated foreclosure needs map and associated needs index score in selecting geographic target areas.

**DATES:** Effective Date: **[insert date of publication in the Federal Register]**

**FOR FURTHER INFORMATION CONTACT:** Stanley Gimont, Director, Office of Block Grant Assistance, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. FAX inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.)

**SUPPLEMENTARY INFORMATION:**

**Background**

On May 4, 2009, HUD posted its FY 2009 NSP2 NOFA on the Grants.Gov website<sup>1</sup> and on HUD's own website.<sup>2</sup> The NOFA announced the availability of up to \$1.93 billion for HUD's FY2009

<sup>1</sup> See <http://www07.grants.gov/search/search.do?oppId=47326&mode=VIEW>.

<sup>2</sup> See [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_14161.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14161.pdf).

NSP2 Program. The purpose of the program is to stabilize communities that have suffered from foreclosures and abandonment through the purchase and redevelopment of foreclosed and abandoned homes and residential properties. NSP2 is authorized by the Housing and Economic Recovery Act (Public Law 110-289) (HERA), as amended by Title XII of Division A of the American Reinvestment and Recovery Act of 2009 (Public Law 111-005) (Recovery Act).

The NSP2 NOFA requires grantees to carry out NSP2 activities in a HUD-approved target area. HUD developed a foreclosure needs map website to assist grantees in selecting target areas that meet the criteria for NSP2 funding. For NSP2, the foreclosure needs map provides foreclosure-related needs scores at the census tract level and grantees select one or more census tracts that have an average combined index score of 18 or greater as indicated by the map. The needs scores were generated with foreclosure data from 2005-2008. This data is now dated and in many cases it no longer reflects the foreclosure market in NSP2 target areas. Further, HUD updated mapping capabilities for its Neighborhood Stabilization Program 3 (NSP3), allowing NSP3 grantees to draw the outline of a targeted neighborhood rather than selecting best-fit census tracts. This method allows a better correlation between the data provided and the target geography.

### **Updated Foreclosure Data for Use by NSP2 Grantees**

To take advantage of the refreshed data and improved maps, HUD has updated the foreclosure needs map with more recent data that combines foreclosures, pre-foreclosures, real-estate-owned, and vacant property transactions in the past 18 months. From the effective date of this notice published in today's edition of the Federal Register, all NSP2 grantees must begin using the updated foreclosure needs map website when amending their currently approved target areas. Grantees may continue working in target areas approved by HUD prior to the effective date of this notice, but any amendments made to NSP2 for new target areas must qualify based on information from the new data.

## Amendment to FY 2009 NSP2 NOFA

The FY2009 NSP2 NOFA posted on May 4, 2009, under Docket No. FR-5321-N-01, as modified by Docket No. FR-5321-C-02, issued June 11, 2009,<sup>3</sup> is amended by revising Paragraph II.B.8.b., pertaining to Geographic Need to replace paragraph b.2. in its entirety so that paragraph 8.b. reads as follows:

b. For applicants proposing to carry out NSP2 activities, the neighborhoods identified must meet one or the other of the following requirements (you may only select one method):

(1) The average foreclosure needs index score for the identified target geography must be 18 or greater, as indicated by the index; or

(2) For any target area change after **[insert date of publication in the Federal Register]**, the individual or average combined index score for all new target areas in the grantee's geography must be not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. The scores for target areas approved prior to **[insert date of publication in the Federal Register]** will not be included in the average combined index score for the new target areas and grantees may continue to use NSP2 funds in those prior approved target areas.

Dated: May 10, 2013

---

Mark Johnston  
Deputy Assistant Secretary for Special Needs

---

<sup>3</sup> [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_14165.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14165.pdf)

[FR Doc. 2013-11995 Filed 05/20/2013 at 8:45 am; Publication Date: 05/21/2013]